

#4106 Sponsor: Councilmember Freel

AN ORDINANCE CONSTITUTING AMENDMENT NO. 2 TO THE FISCAL YEAR 2016 OPERATING BUDGET, BEING AN ORDINANCE TO AMEND SUBSTITUTE NO. 1 TO ORDINANCE NO. 15-013, THE ORDINANCE ADOPTING THE ANNUAL OPERATING BUDGET FOR THE FISCAL YEAR BEGINNING ON JULY 1, 2015 AND ENDING ON JUNE 30, 2016. (COLA & ONE-TIME PAYMENT FOR NON-UNION EMPLOYEES)

WHEREAS, Council of the City of Wilmington ("City Council") enacted Substitute No.1 to Ordinance No. 15-013, as amended, an operating budget for Fiscal Year 2016 ("FY2016") and City Council now deems it appropriate to amend the said operating budget for FY2016, as set forth herein.

WHEREAS, City Council deems it necessary and proper to amend the Annual Pay Scales and Salary Matrices and Scales of the City of Wilmington ("City") by revising, as reviewed by the Administrative Board pursuant to Wilmington Charter Section 4-200, rates of pay for all current non-union *Regular employees*, as defined at City Code Section 40-6, not represented by a collective bargaining unit and those current non-union *Regular employees* who are not paid according to a classified service pay scale, and to retroactively authorize an annual salary increase for FY2016, effective July 1, 2015, for all current non-union *Regular employees* not represented by a collective bargaining unit, and to make certain one-time payments as described more fully herein.

WHEREAS, non-union *Regular employees* who are not members of a collective bargaining unit ("non-union employees") have not received a cost-of-living adjustment for fiscal years 2010, 2011, 2012, 2013, 2014, or 2015; and

WHEREAS, non-union *Regular employees* who are not members of a collective bargaining unit received a payment in lieu of a cost of living adjustment for fiscal years 2010, 2011, 2012, and 2013; and

WHEREAS, the Administration has recommended and City Council concurs that only current non-union *Regular Employees* (as defined by City Code Section 40-6) – **employed as of the date of enactment of this ordinance** - shall receive an adjustment as set forth below to compensate for lack of past increases; and

WHEREAS, the Administration has recommended and City Council concurs that such measures are fair and appropriate, and that compensation shall be paid to only current non-union *Regular employees* as set forth more particularly in the exhibits attached hereto and made a part hereof, subject to the limitation set forth in Section 7 of this ordinance.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF WILMINGTON
HEREBY ORDAINS:**

SECTION 1. Only current non-union *Regular employees*, as defined at City Code Section 40-6, who are not members of a collective bargaining agreement (non-union employees) **and** are employed by the City on the date of enactment of this ordinance, shall receive an increase in compensation, as described herein.

SECTION 2. Effective July 1, 2015, the pay scales of all current non-union *Regular employees* (not represented by a collective bargaining unit)

shall increase by 2% and the salaries, grades and steps shall be as set forth more fully in Attachments B and C attached hereto and incorporated herein by reference.

SECTION 3. Appointed employees of City Council and the City Treasurer's Office not covered by a collective bargaining agreement who are not paid according to a classified service pay scale shall be eligible to receive a salary increase as determined by their appointing authority, and such increases shall become effective retroactive to July 1, 2015.

SECTION 4. All current non-union *Regular employees*, as defined in City Code Section 40-6, who are employed as of the date of enactment of this ordinance and who also were employed by the City on July 1, 2014, shall receive a one-time payment of \$2,000.

SECTION 5. All current non-union *Regular employees*, as defined in City Code Section 40-6, who are employed as of the date of enactment of this ordinance and who also were employed by the City on July 1, 2013, shall receive a one-time payment of \$2,000 that is in addition to the one-time payment set forth in Section 4 of this ordinance.

SECTION 6. The one-time payments that are described and set forth in Sections 4 and 5 of this ordinance, respectively, shall be in addition to any increase in pay scale.

SECTION 7. Under no circumstances shall any one-time payments and/or increases set forth in this ordinance be made to Members of City Council, as the President and Members of City Council are ineligible for such payments and/or increases due to the provisions of City Charter Section 2-100 limiting their

salaries.

SECTION 8. The following financial program is hereby adopted for FY2016, and appropriations are hereby made from the various operating and special funds to the Council, the Mayor, and all offices, departments, boards, and commissions, as indicated in the following sections.

SECTION 9. Appropriations in the sum of \$164,768,786 are hereby made from a general fund, as follows:

TO THE MAYOR:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$3,891,972	\$68,736	\$3,960,708
Materials, Supplies, and Equipment	2,443,062	0	2,443,062
Special Purpose	117,000	0	117,000
Debt Service	4,176,481	0	4,176,481
Total	\$10,628,515	\$68,736	\$10,697,251

TO THE MAYOR FOR THE WILMINGTON ARTS COMMISSION:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Special Purpose	\$0	\$0	\$0
Total	\$0	\$0	\$0

TO THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET - CONTINGENCIES:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Contingent Reserves	\$300,000	\$0	\$300,000
Total	\$300,000	\$0	\$300,000

The Director of the Office of Management and Budget is authorized to transfer to each office, department, board, or commission such portions of the foregoing sum that will be sufficient to pay for unanticipated budgetary expenses.

TO THE DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET -			
SNOW AND WEATHER EMERGENCIES:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Snow and Weather Emergencies	\$125,000	\$0	\$125,000
Total	\$125,000	\$0	\$125,000

The Director of the Office of Management and Budget is authorized to transfer to each office, department, board, or commission such portions of the foregoing sum that, taken with amounts otherwise available to each such office, department, board, or commission, will be sufficient to pay for the contractual cost, overtime cost, materials, supplies, and equipment cost of emergency snow removal and weather emergencies.

TO THE PLANNING DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$1,088,704	\$53,618	\$1,142,322
Materials, Supplies, and Equipment	413,750	0	413,750
Special Purpose	0	0	0
Debt Service	239,219	0	239,219
Total	\$1,741,673	\$53,618	\$1,795,291

TO THE CITY COUNCIL:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$1,460,445	\$845,218	\$2,305,663
Materials, Supplies, and Equipment	720,758	92,939	813,697
Special Purpose	19,000	0	19,000
Debt Service	664	29,206	29,870
Total	\$2,200,867	\$967,363	\$3,168,230

TO THE CITY TREASURER:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$333,584	\$370,457	\$704,041
Materials, Supplies, and Equipment	137,539	3,932,450	4,069,989
Total	\$471,123	\$4,302,907	\$4,774,030

TO THE AUDITING DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$438,931	\$0	\$438,931
Materials, Supplies, and Equipment	292,522	0	292,522
Total	\$731,453	\$0	\$731,453

TO THE LAW DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$2,323,982	\$0	\$2,323,982
Materials, Supplies, and Equipment	711,333	0	\$711,333
Total	\$3,035,315	\$0	\$3,035,315

TO THE FINANCE DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$5,292,664	\$0	\$5,292,664
Materials, Supplies, and Equipment	4,773,114	0	\$4,773,114
Program and Activities	0	0	\$0
Debt Service	49,049	0	\$49,049
Total	\$10,114,827	\$0	\$10,114,827

TO THE DIRECTOR OF FINANCE - BUDGET RESERVE ACCOUNT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Debt Service	\$0	\$0	\$0
Total	\$0	\$0	\$0

The Director of Finance is authorized to transfer the above amount into the Budget Reserve Account as the FY2016 contribution, in conformance with Wilm. C. Ch. 2, Art. V, Div. 2. No transfer from this account to any annual operating budget accounts of any office, department, board, or commission shall be made except upon approval of an ordinance passed by a two-thirds majority vote of the President and all members of Council.

TO THE DEPARTMENT OF COMMERCE			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Debt Service	\$1,280,776	\$0	\$1,280,776
Total	\$1,280,776	\$0	\$1,280,776

TO THE HUMAN RESOURCES DEPARTMENT			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$1,403,680	\$0	\$1,403,680
Materials, Supplies, and Equipment	737,217	0	737,217
Debt Service	24,674	0	24,674
Total	\$2,165,571	\$0	\$2,165,571

TO THE DEPARTMENT OF LICENSES AND INSPECTIONS:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$3,453,992	\$0	\$3,453,992
Materials, Supplies, and Equipment	1,158,183	0	1,158,183
Debt Service	4,659	0	4,659
Programs and Activities	0	0	0
Total	\$4,616,834	\$0	\$4,616,834

TO THE DEPARTMENT OF LICENSES & INSPECTIONS FOR ANIMAL CONTROL:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Special Purpose	\$600,000	\$0	\$600,000
Total	\$600,000	\$0	\$600,000
L&I Total	5,216,834	0	5,216,834

TO THE DEPARTMENT OF PARKS AND RECREATION:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$4,393,843	\$570,086	\$4,963,929
Materials, Supplies, and Equipment	2,862,604	816,753	3,679,357
Debt Service	2,003,978	0	2,003,978
Programs and Activities	0	0	0
Total	\$9,260,425	\$1,386,839	\$10,647,264

TO THE FIRE DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$20,537,637	\$225,000	\$20,762,637
Materials, Supplies, and Equipment	2,761,345	201,369	2,962,714
Debt Service	649,059	0	649,059
Programs and Activities	0	0	0
Total	\$23,948,041	\$426,369	\$24,374,410

TO THE POLICE DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$46,756,955	\$521,411	\$47,278,366
Materials, Supplies, and Equipment	8,421,848	0	8,421,848
Debt Service	406,526	0	406,526
Programs and Activities	0	0	0
Total	\$55,585,329	\$521,411	\$56,106,740

TO THE DEPARTMENT OF PUBLIC WORKS:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$9,026,971	\$0	\$9,026,971
Materials, Supplies, and Equipment	10,846,747	1,078,857	11,925,604
Debt Service	4,146,820	0	4,146,820
Programs and Activities	0	0	0
Total	\$24,020,538	\$1,078,857	\$25,099,395

TO THE DEPARTMENT OF PUBLIC WORKS- THE BOARD OF EXAMINING ENGINEERS:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$0	\$0	\$0
Materials, Supplies, and Equipment	0	0	0
Total	\$0	\$0	\$0

TO THE DEPARTMENT OF REAL ESTATE AND HOUSING:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$155,013	\$1,018,820	\$1,173,833
Materials, Supplies, and Equipment	374,098	125,844	499,942
Debt Service	1,273,798	0	1,273,798
Programs and Activities	0	2,188,826	2,188,826
Pass-Through	0	0	0
Total	\$1,802,909	\$3,333,490	\$5,136,399

SECTION 10. The Director of Finance is authorized upon transfer of any function from one office, department, board, or commission to another office, department, board, or commission to transfer to the successor office, department, board, or commission those portions that pertain to the function transferred.

SECTION 11. Whenever, pursuant to the provisions of Section 8-401 of the Charter, employees of any office, department, board, or commission are used by another office, department, board, or commission, the compensation of such employees for the period of such use may, at the discretion of the Director of Finance, be charged against the applicable appropriations to the using office, department, board, or commission.

SECTION 12. Appropriations in the sum of \$71,476,967 are hereby made from the Water/Sewer Fund as follows:

TO THE DEPARTMENT OF FINANCE - WATER/SEWER BILLING:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$2,429,146	\$0	\$2,429,146
Materials, Supplies, and Equipment	2,403,728	0	2,403,728
Debt Service	42,413	0	42,413
Total	\$4,875,287	\$0	\$4,875,287

TO THE AUDITING DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Materials, Supplies, and Equipment	\$71,473	\$0	\$71,473
Total	\$71,473	\$0	\$71,473

TO THE DIRECTOR OF FINANCE - SALARY ADJUSTMENT/ATTRITION:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Salary Adjustment	\$0	\$0	\$0
Total	\$0	\$0	\$0

The Director of Finance is authorized to transfer to each office or department such portions of the foregoing sum as will be sufficient to pay for personal services increases authorized by Councilmanic action, and to transfer from each department in which a vacancy occurs funds in an amount equal to the unexpended personal services balance for such unfilled position.

TO THE DEPARTMENT OF PUBLIC WORKS:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$8,263,429	\$0	\$8,263,429
Materials, Supplies, and Equipment	50,310,071	0	50,310,071
Debt Service	7,956,708	0	7,956,708
Total	\$66,530,208	\$0	\$66,530,208

SECTION 13. Appropriations in the sum of \$40,265,070 are made from the Intragovernmental Service Fund as follows:

TO THE MAYOR:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$1,972,596	\$0	\$1,972,596
Materials, Supplies, and Equipment	6,466,860	0	6,466,860
Debt Service	265,261	0	265,261
Total	\$8,704,717	\$0	\$8,704,717

TO THE FINANCE DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$0	\$0	\$0
Materials, Supplies, and Equipment	0	0	0
Debt Service	0	0	0
Total	\$0	\$0	\$0

TO THE DEPARTMENT OF PUBLIC WORKS:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$0	\$0	\$0
Materials, Supplies, and Equipment	7,408,683	0	7,408,683
Debt Service	222,066	0	222,066
Total	\$7,630,749	\$0	\$7,630,749

TO THE HUMAN RESOURCES DEPARTMENT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Personal Services	\$921,221	\$0	\$921,221
Materials, Supplies, and Equipment	3,275,133	0	3,275,133
Special Purpose	19,733,250	0	19,733,250
Total	\$23,929,604	\$0	\$23,929,604

TO THE DIRECTOR OF HUMAN RESOURCES - RISK MNGT./ENVIRONMENTAL LIABILITY RESERVE ACCOUNT:			
	<u>City</u>	<u>Special</u>	<u>Total</u>
Risk Mgt./Environmental Acct.	\$0	\$0	\$0
Total	\$0	\$0	\$0

The Director of Finance is authorized to transfer the above amount to the Human Resources Department in its Risk Management/Environmental Liability Reserve Account as the FY2016 contribution in conformity with the provisions of Wilm. C. Ch. 2, Section 2-381, as amended. The account shall be maintained in a manner sufficient to permit it to accrue through accumulation of principal and interest and the balance shall be carried forward from one fiscal year to the next. The account shall be accessed and transfers shall be authorized only for purposes of the City meeting an obligation arising out of liability on the part of City government.

The personal services, materials, supplies, and equipment provided for herein shall be allocated among and paid for by the departments receiving intragovernmental services. The Director of Finance is hereby authorized to transfer funds from the accounts of departments using such intragovernmental services and to adjust upwards the appropriations contained herein for intragovernmental services so long as appropriated funds are available to pay for such services. The appropriations made herein shall be wholly payable from the appropriations for materials, supplies, and equipment made to departments receiving intragovernmental services and the limitations of Wilmington Charter Section 2-300(6) shall not apply.

Appropriations to the Human Resources Department include ongoing funding of the Risk Management Program, pursuant to the provisions of Wilm. C., Ch. 2, Art. VI, Div. 5.

SECTION 14. Appropriations in the sum of \$12,139,590 not subject to the limitations of Wilmington Charter Section 2-300(6), are included in the appropriations of Sections 9, 12, and 13, under the heading "Special". These appropriations of special funds are made contingent upon the receipt of funds and shall be utilized in the manner prescribed by the statutes, ordinances, regulations, resolutions, and/or grants from which they derive. In the event new funds are received or funds are received in greater or lesser amounts than appropriated above, spending shall be adjusted upward or downward in accordance with the funds available. In no event shall spending of the special funds herein provided for exceed the amounts actually received or otherwise made available.

SECTION 15. Except as otherwise provided by this ordinance, special

funds, heretofore established pursuant to any ordinances, statutes, resolutions, and/or grants shall continue to be utilized in FY2016 for the purpose and in the manner prescribed by such ordinances, statutes, resolutions, and/or grants to the extent that they are consistent with the provisions of the Wilmington Home Rule Charter.

When, under the Charter, an appropriation is a prerequisite to the payment of money from such special funds, this section shall be construed as an appropriation of the full proceeds of such funds for the purposes heretofore authorized by such ordinances, statutes, resolutions and/or grants.

SECTION 16. The amounts herein appropriated for materials, supplies, and equipment shall be deemed to be available for encumbrance upon the effective date of this ordinance, to the extent necessary to facilitate the operations of the various offices, departments, boards, and commissions for FY2016, provided that no services shall be rendered prior to July 1, 2015, and no materials, supplies, and equipment acquired shall be used in FY2015, except to the extent required to prepare for FY2016 operations.

SECTION 17. A. Position Allocation. Attachment "A" hereto sets forth the positions authorized to be filled between July 1, 2015 and June 30, 2016. Pursuant to Section 40-36 of the City Code, any previously existing classifications and allocation of classifications are hereby abolished. Hereinafter, no additional positions shall be created or allocated without review and approval by the Administrative Board and designation by ordinance of the City Council, except that nothing in this ordinance shall preclude the hiring and payment of employees filling positions where monies other than those appropriated by this ordinance are available.

B. Executive and Managerial Salary Program and Salary Structure

Matrix.

Attachment "B" hereto sets forth the positions that are in the executive and management salary program and the salary structure matrix for FY2016, pursuant to the provisions of Section 40-221 of the City Code, as amended by Substitute No. 1 to Ordinance No. 04-010.

C. Non-Union Employee Salaries. Attachment "C" hereto sets forth the Non-Union Salaries and the Grades and Steps for the same for FY2016.

SECTION 18. All unencumbered balances on hand as of July 1, 2016, held by any office, department, board, or commission named in Sections 9, 12, and 13 of this ordinance shall revert to the City of Wilmington Current Account.

SECTION 19. Use of General Fund Balance. Use of the General Fund Unassigned Fund Balance is authorized to balance the General Fund Operating Budget for FY2016 in the event General Fund appropriations, as approved by City Council, exceed General Fund revenues.

SECTION 20. Transfers of Fund Balance. No transfers from other Funds are authorized to balance the General Fund Operating Budget for FY2016.

SECTION 21. Severability. The provisions of this ordinance are declared to be severable and if any section, clause and/or phrase of this ordinance shall for any reason be held invalid or unconstitutional, such holding shall not affect the validity of the remaining sections, clauses and/or phrases of this ordinance, but they shall remain in effect, it being the legislative intent that this ordinance shall

survive notwithstanding the invalidity of any part.

SECTION 22. This ordinance shall be deemed effective upon its passage by City Council and approval by the Mayor.

First Reading.....October 1, 2015
Second Reading.....October 1, 2015
Third Reading.....

Passed by City Council,

President of City Council

ATTEST: _____
City Clerk

Approved as to form this
_____ day of
_____, 2015

City Solicitor

Approved this _____ day of
_____, 2015

Mayor

SYNOPSIS & FISCAL IMPACT

This ordinance authorizes a 2% increase to the pay scales for current non-union *Regular* employees, as defined in City Code Section 40-6, for FY2016, retroactively to July 1, 2015, as set forth more fully in Attachments B and C of the ordinance. In addition, this ordinance authorizes salary adjustments as determined by their appointing authority for appointed employees of City Council and the City Treasurer's Office. The annual fiscal impact of these adjustments will be approximately \$432,000 in additional salaries and benefits or about \$36,000 per month across all Funds and Departments. The cost to the General Fund will be approximately \$302,000 annually, or about \$25,000 per month. The additional cost of the increase to the pay scales will be covered by the existing FY2016 budgeted surplus.

This ordinance also provides for a one-time payment of \$2,000 to current non-union *Regular* employees, as defined by City Code Section 40-6, who were employed by the City on July 1, 2014 **and** are employed by the City on the date of enactment of this ordinance. This ordinance provides for an additional one-time payment of \$2,000 to current non-union *Regular* employees, as defined by City Code Section 40-6, who were employed by the City on July 1, 2013 **and** are employed by the City on the date of enactment of this ordinance. The total cost of the one-time payments across all Funds and Departments will be approximately \$926,000. The cost to the General Fund will be approximately \$631,000. The cost of the one-time payments will be covered by the use of Unassigned Fund Balance.

To support the salary increases and one-time payments, this ordinance increases operating Departmental Personal Services budget appropriations across all affected Funds accordingly.